

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20 USIA-15 DRC-01

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FM AMEMBASSY NASSAU

TO SECSTATE WASHDC PRIORITY 5547

INFO DOD WASHDC

S E C R E T SECTION 1 OF 2 NASSAU 846

E. O. 11652: N/A

TAGS: MARR BF US

SUBJ: FACILITIES AND OPERATING RIGHTS NEGOTIATIONS

REF: NASSAU 833

1. REFTEL POSED QUESTION OF HOW MUCH US WILL BE PREPARED TO PAY FOR AN "OPERATING RIGHTS" AGREEMENT ALONG LINES OUR NOV 6, 1973 DRAFT. THIS MESSAGE RAISES SOME TACTICAL CONSIDERATIONS WHICH EMBASSY HOPES WILL RECEIVE ATTENTION AT THE SAME TIME.

2. THIS PROPOSED AGREEMENT APPEARS TO US TO BE A UNIQUE ONE AND WITHOUT PRECEDENT, AT LEAST VIS-A-VIS A COUNTRY WITH WHOM WE DO NOT HAVE A MUTUAL DEFENSE PACT (E.G. NATO). AS WE READ ITS HISTORY, WARTIME AND EMERGENCY RIGHTS WERE DERIVED FROM WORLD WAR II EXIGENCIES AND WERE PART OF ORIGINAL 1941 DESTROYER DEAL WITH UK. THEY ARE OPEN-ENDED, NON-RECIPROCAL AND, IN EFFECT, GIVE US A BLANK CHECK FOREVER. IT IS PROBABLY THIS PROPOSAL WHICH GIVES GCOB, AT LEAST ON CIVIL SERVANT LEVEL, A GRANDIOSE VIEW OF IMPORTANCE OF BAHAMAS TO US AND GREAT EXPECTATIONS ABOUT WHAT THEY CAN GET FROM US AS A QUID IN NEGOTIATIONS. WE WILL AWAIT WITH INTEREST DEPT'S ADVICE, REQUESTED REFTEL, WHETHER THERE ARE ANY OTHER SOVEREIGN COUNTRIES WHICH HAVE ACCORDED US SUCH RIGHTS. BAHAMIANS WILL CER-

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TAINLY INQUIRE ABOUT THIS, AND PARTICULARLY WHETHER JAMAICA,

GUYANA, TRINIDAD AND TOBAGO (TERRITORIES ALSO COVERED UNDER 1941 "LEASED NAVAL AND AIR BASES" AGREEMENT) ACCORDED U.S. SUCH RIGHTS AFTER ACHIEVEMENT OF INDEPENDENCE.

3. OVERFLIGHT AND LANDING PRIVILEGES FOR MILITARY AND CIVIL AIRCRAFT UNDER GOVERNMENT CHARTER STEM FROM NOV 7, 1949 ADMINISTRATIVE "ARRANGEMENTS" BETWEEN U.S. AND U.K. CHIEFS OF STAFF, AND WERE RECIPROCAL. (QUERY: DOES THIS CONSTITUTE AN INTERNATIONAL OBLIGATION TO WHICH BAHAMAS WOULD NORMALLY BE EXPECTED TO HAVE ACCEDED?) IN OUR NOV 6, 1973 PROPOSAL TO BAHAMIANS, THIS ELEMENT OF RECIPROCITY IS DROPPED AND PROPOSAL IS EXTENDED, AGAIN ON A NON-RECIPROCAL BASIS, TO COVER FREEDOM OF MOVEMENT FOR MILITARY VESSELS. (NOTE THAT "NOTIFICATION" FORMULA IN OUR NOV 1973 PROPOSED DRAFT IS ALREADY OVERTAKEN BY EVENTS, SINCE WE ARE USING "PERMISSION" FORMULA.)

4. FIRST POINT WHICH WE HOPE IS FULLY RECOGNIZED AT ALL LEVELS IN WASHINGTON IS THAT WE ARE ASKING FOR A GREAT DEAL FROM BAHAMAS IN THIS AGREEMENT. THIS WILL NOT NOW GO UNNOTICED, AS IT PROBABLY WAS AT TIME OF CARRY-OVER AGREEMENT WHICH, IN ANY CASE, WOULD HAVE BEEN REGARDED BY GCOB AS SIMPLY A SIX MONTHS PROPOSITION THAT THEY COULD LIVE WITH.

5. EMBASSY HAS GRAVEST DOUBTS THIS AGREEMENT CAN BE ACHIEVED UNDER THE KIND OF SETTLEMENT WE HAVE BEEN ENHANCING FOR FACILITIES THEMSELVES, I.E. A \$1.5 MILLION/YEAR QUID PRO QUO FOR 15 YEARS, RELATED TO IMPLEMENTATION OF SURVEY REPORT. THIS SIGNS AWAY TOO MUCH SOVEREIGN AUTHORITY TO BE SECURED AT SO SMALL A PRICE.

6. WHAT EMBASSY DOES NOT KNOW IS BASIC WASHINGTON JUDGMENT RE IMPORTANCE TO US OF THIS AGREEMENT. IS IT SOMETHING WE GOT FROM BRITISH (IN ENTIRELY DIFFERENT CONTEXT) WHICH WE OUGHT TO KEEP IF WE CAN AND ONLY IF PRICE IS ACCEPTABLE? IF SO, WHAT IS ACCEPTABLE PRICE? OR IS IT SO IMPORTANT TO US THAT WE WILL PAY A GREAT DEAL FOR IT, EVEN TO THE POINT OF ABANDONING FACILITIES HERE IF WE DON'T GET IT (I.E. ALL OR NOTHING)? IF IT IS FORMER WE SHOULD BE PREPARED TO FLOAT IT (AS IN EFFECT WE HAVE) AND DROP IT QUICKLY IF WE ARE UNABLE TO GET IT AS PART OF PRESENT PACKAGE OR FOR, SAY, UP TO THE \$3 MILLION/

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YEAR FIGURE WHICH WOULD TRIGGER RELOCATION IF EXCEEDED. IN THIS CASE, VALUE WE ATTACH TO OPERATING RIGHTS WOULD BE \$1.5 MILLION/YEAR ADDITIONAL ADDITIONAL AND IF THIS DID NOT WORK WE WOULD BE BACK TO \$1.5 MILLION/YEAR FOR FACILITIES THEMSELVES. WHILE WE COULD START OUT WITH A "PACKAGE" OF \$500,000 FACILITIES RENT, PLUS \$1 MILLION/YEAR FOR "OPERATING RIGHTS" WE DOUBT THIS WOULD GO VERY FAR AND WE WOULD JEOPARDIZE OUR OBJECTIVES AND CREDIBILITY BY STANDING ON SUCH A PROPOSAL

VERY LONG, AND EVEN PERHAPS JUST BY ADVANCING IT.

7. IF, AS WE EXPECT, GCOB WOULD NOT FIND EVEN A \$45 MILLION/ 15 YEAR PROGRAM SUFFICIENT "COMPENSATION" FOR OPERATING RIGHTS, WE COULD OFFER TO MAKE AGREEMENT "RECIPROCAL" (EVEN THOUGH THIS WOULD HAVE NO PRACTICAL, AS OPPOSED TO PSYCHOLOGICAL, SIGNIFICANCE), AND COTERMINOUS WITH FACILITIES AGREEMENT, E.E. VALID UP UNTIL JULY 10, 1988 (OR WHATEVER OTHER DATE IS FINALLY AGREED). THIS WOULD REMOVE TWO MAJOR STUMBLING BLOCKS.

8. EVEN IF THESE MODIFICATIONS WERE MADE (AND WE SUSPECT USG ATTITUDE TOWARD MAKING RIGHTS RECIPROCAL WILL SHOW HOW GCOB MUST VIEW PROPOSAL), PROBABILITY IS GCOB WOULD CONTINUE TO DEMAND  
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ACTION ARA-20

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S E C R E T SECTION 2 OF 2 NASSAU 846

D. WE QUESTION WHETHER OPERATING RIGHTS WORTH CONGRESSIONAL HASSLE WHICH WOULD BE INVOLVED IN MAKING A DEFENSE COMMITMENT TO BAHAMAS, OR -- AT LEAST AT THIS POINT -- ENDORSEMENT OF ARCHIPELAGIC PRINCIPLE. WE ASSUME LIMITATION OF AGREEMENT TO 14-15 YEAR PERIOD WOULD BE ACCEPTABLE, AND THAT WE WOULD PROBABLY BE ABLE ACCEPT RECIPROCITY.

E. WE DON'T KNOW WHETHER WASHINGTON WOULD FIND IT WORTHWHILE TO INCREASE RENTAL PAYMENTS FROM \$1.5 MILLION (ASSUMING THIS WILL IN FACT SUFFICE FOR FACILITIES THEMSELVES) TO, SAY, \$3 MILLION/YEAR IN ORDER TO GET OPERATING RIGHTS. THIS WOULD APPEAR TO BE A MINIMUM POSITION, BUT CERTAINLY NOT ONE WE COULD GUARANTEE WOULD WORK.

10. WE NEED DEPT'S VIEWS ON THESE JUDGMENTS. IF THE WASHINGTON POSITION IS THAT OPERATING RIGHTS ARE A CONVENIENCE AND

NOT A NECESSITY, AND CERTAINLY NOT WORTH A MAJOR QUID FROM  
US, WE SHOULD BE MENTALLY PREPARED TO DROP IT AT AN EARLY  
STAGE IN THE NEGOTIATIONS OR SET IT ASIDE UNTIL WE HAVE THE  
FACILITIES AGREEMENTS LOCKED UP. DROPPING IT WOULD PROBABLY  
GUARANTEE A SPEEDY FINISH TO FACILITIES NEGOTIATIONS, SINCE IT  
WILL PROBABLY BE THE OPERATING RIGHTS WHICH WILL COMPLICATE  
AND PROLONG THESE NEGOTIATIONS.

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## Message Attributes

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**Draft Date:** 07 MAY 1974  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
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